25X1A2g

CLASSIFICATION (SECRET)

Sanitized - Approved For Release : CIA-RDP82-00457R0018[redacted]

CENTRAL INTELLIGENCE AGENCY REPORT NO. [redacted]

INFORMATION REPORT

CONFIDENTIAL

COUNTRY	Germany (Russian Zone)
SUBJECT	The Deutsche Handelsgesellschaft m.b.H. and the Handelsgesellschaft Gross-Berlin
PLACE ACQUIRED	[redacted]
DATE OF	[redacted]
25X1X6	

25X1A6a

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States.
Review Date: 2008

DATE DISTR. 1 September 1948

NO. OF PAGES 2

NO. OF ENCLS. (LISTED BELOW)

SUPPLEMENT TO REPORT NO.

[redacted]

25X1X6

1. The DWK has assigned economic planning in the fields of industry, mining, and agriculture to the Hauptverwaltung Wirtschaftsplanung. It will collect information on available capacity and required amounts of raw materials, fuel, and power. Fitting the production plans to the amount of materials, etc. available is the task of the Hauptverwaltung Materialversorgung. It receives reports from the various departments of the DWK, from the SMA, and from the SAGs on the materials available and pares the production plans to fit. It decides what amounts of materials, fuel, and power each consumer is to receive. It informs each producer or importer where he is to deliver his goods. To insure full compliance with this rationing system, the Deutsche Handelsgesellschaft m.b.H. was formed.

2. The DHG consists of:

   A. A directorate. (Director Heyer, formerly with Trade & Transport, Saxony-Anhalt)
   B. Branches (e.g., fuel, chemicals, textiles, etc.)
   C. Subsections (e.g., organic chemistry, inorganic chemistry, etc.
   D. Wholesale firms with monopoly privileges for specific types of goods.

   The DHG intended to demand a 51% share in each wholesale firm admitted to this system. Many firms have refused to cooperate on this basis. As a result, some have been allowed to participate subject to a 10% commission on the turnover in the goods for which they are licensed by the DHG. It is considered likely that a number of wholesalers who have been operating under a state Industriekontor will be transferred to the jurisdiction of the DHG.

3. In a short talk in Rau's office 3 August, Walter Ulbricht stated that the DHG must eliminate private wholesalers as rapidly as possible by undertaking direct purchase and storage of vital materials. To this end the DHG should take over the state Industriekontore and absorb their personnel. The SED will instruct its ministers in the states of the Russian zone to assist in this step. The most important private wholesalers are to be accused of price and rationing violations and their firms expropriated in favor of the DHG. Wood wholesalers are the first target and gasoline and oil are second.

CLASSIFICATION (SECRET) CONFIDENTIAL

STATE	#	X	NAVY	X	NSRB		DISTRIBUTION								
ARMY	#	X	AIR												

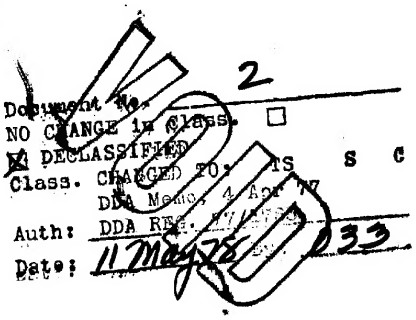
SEE REVERSE FOR DECLASSIFICATION ACTION

SECRET

Sanitized - Approved For Release : CIA-RDP82-00457R0018[redacted]002-6

CIA LIBRARY

Sanitized - Approved For Release : CIA-RDP82-00457R001800620002-6



Sanitized - Approved For Release : CIA-RDP82-00457R001800620002-6

Sanitized - Approved For Release : CIA-RDP82-00457R001800620002-6

4. Another source reports that the DHG is going to continue to make use of certain private wholesalers for the time being. These firms are designated as "Manipulanten". According to source their function is to be the purchase of raw materials from the western zones and from western nations.

5. All sources agree that the DHG will be completely subordinate to the DWK and specifically to the HV Materialversorgung and to the HV Interzonen - und Aussenhandel. As of 1 August neither the HV Materialversorgung nor the DHG had begun actual operations.

6. Well placed sources report that the Handelsgesellschaft Gross-Berlin was formed without any preparation. The DWK had repeatedly proclaimed its willingness to help industrialists in the western sectors of Berlin. Numerous businessmen then called on the DWK to obtain assistance and were all turned down. The announcement of the Handelsgesellschaft Gross-Berlin is intended to delude the populace of Berlin into believing that the DWK is in a position to make available raw materials, coal, and power. According to one source the DWK is anxious to gain the cooperation of Berlin industrialists to offset the effects of the interruption of freight traffic to the Russian zone; however the DWK is not in a position to offer any worthwhile assistance. In addition the responsible political chiefs in the SED and SMA are concentrating on driving the western powers out of Berlin and will do nothing that might ease their position.

7. The Handelsgesellschaft Gross-Berlin is reported to be controlled jointly by the Deutsche Handelsgesellschaft and the Industrie- und Handelskontor Berlin with an investment of 50,000 DM each. Director is Marziniack (SED), former director of the Brandenburg Industriekontor.

8. Georg Handke, vice-president of the DWK, claims credit for the idea of the Handelsgesellschaft Gross-Berlin. When SMA officials, including Koval, on 26 July expressed their conviction that the western powers will not retreat from Berlin, Handke suggested the formation of this organization in order to gain control of the economic life of the western sectors and to increase the political influence of the SED.

Sanitized - Approved For Release : CIA-RDP82-00457R001800620002-6